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TAGS: [EAID](#) [EFIN](#) [KUNR](#) [UNGA](#)
SUBJECT: DEVELOPMENT RESOLUTION NEGOTIATIONS SHIFT INTO NEW
MODE AS FACILITATOR DEPARTS

REF: USUN 1079

Classified By: Ambassador Terry Miller, Reasons 1.4 (B) and (D)

¶1. (u) The current phase of negotiations on the development resolution in follow-up to the World Summit Outcome ended at midnight Thursday (6/16-17) without an agreed text. Facilitator Paul Lolo of Nigeria will no longer be available and responsibility for further progress will revert back to the Co-chairs of the process, Ambassadors Verbeke (Belgium) and Diarra (Mali). No further negotiations are scheduled at this time, but we expect a renewed effort next week, perhaps at a more senior level.

State of the text.

¶2. (c) Approximately 50 of the approximately 80 paragraphs remaining in the text are fully agreed, though there is no agreement on the placement of many of the paragraphs or the overall structure of the resolution. Most of the core economic issues that are normally the most difficult in negotiations of this type, such as ODA levels and targets, trade, debt, investment, innovative sources of financing, and globalization, have been agreed. Several of the remaining issues (e.a. governance or policy space) have agreed text in the draft but are not agreed for inclusion as delegations struggle over the balance of the overall text. Other outstanding issues include:

-- G-77 proposal to add a reaffirmation of the "commitments" of UN conferences and summits in the first preambular paragraph. This crosses the US redline concerning reaffirmation of the Durbin racism conference, Beijing women's conference, and Cairo population conference. US is holding out for reaffirmation of the "development goals and objectives" of the conferences, the formulation used in the summit.

-- Monitoring: This issue appears in several places where the G-77 is attempting to create new monitoring mechanisms within the UN. All other delegations are resisting strongly. The fault lines are whether G-77 as well as donor commitments should be monitored, the extent of UN involvement, and the extent to which new mechanisms are needed.

-- Power of the G-77 in the Bretton Woods Institutions: G-77 is attempting to move beyond the summit language to call for "effective measures" in this regard. All other delegations are resisting strongly.

-- Duty free market access for least developed countries - G-77 is trying to remove the "work towards" caveat. US and JUSCANZ are resisting. US has offered "commitments related to duty free access" as a compromise, but G-77 has not moved.

--Reaffirmation of Beijing Declaration - US is isolated in insisting on a direct quote of the summit language. Main

proponents of stronger language are the EU and CANZ.

-- Climate change - US is in a centrist position between EU and CANZ. Most interesting dynamic here is Canada's change in position from the summit (they can no longer accept references to the Kyoto Protocol) as a result of their change in government. G-77 has entered the debate late with a request for a spoiler reference to "special and differential treatment."

-- Agricultural development - G-77 is trying to amend summit language to remove any responsibility by the developing countries to do anything in this area and place all of the responsibility on the "international community." All others are resisting.

-- Strengthening the role of the General Assembly - G-77 has introduced language from GA resolution 57/270B (one of many attempts by the G-77 to import language from this resolution rather than the summit outcome document into the text) calling for strengthening the role of the GA in conference follow-up. All others are resisting, with the US pointing out that the paragraph in 57/270B was followed by specific measures to accomplish this strengthening, all of which have already been accomplished. US and others are proposing summit language on "the central position of the GA" as an alternative.

--UNCTAD - G-77 is insisting on quoting para 27(a) of 57/270B on the role of UNCTAD. US and others are resisting, noting that there is no mention of UNCTAD in the outcome document. This is an area where we might have some flexibility.

--System wide coherence and the High-Level Panel - An EU proposal supported by the US is being rejected by the G-77

--Corporate environmental and social responsibility - G-77, supported gently by JUSCANZ, is insisting on these references. US, supported by EU, is insisting on the summit formulation of "corporate responsibility and accountability."

Negotiation dynamics

13. (c) This negotiation has moved by fits and starts, and has proceeded in a highly unusual way. The typical pattern in recent days has been to make rapid progress in the morning, including significant agreement on normally difficult issues, building a lot of momentum. Then, following G-77 coordination meetings at lunchtime, the negotiation freezes in place as the G-77 stonewalls on all remaining issues for the rest of the day. Afternoon sessions have also occasionally included either India or Cuba replacing South Africa as the G-77 spokesperson, though South Africa remained in the room. China and Venezuela are increasingly attending the informals. Issues that are normally easily resolved or which have obvious solutions from the facilitator's point of view (and ours) remain rigidly locked. The facilitator has told us that "there are dynamics and issues beyond what is present in the room" at work. Our judgment is that remaining issues could be readily resolved through use of agreed language if the political will to do so were present. Interestingly, Pakistan has for brief periods been called upon to replace the facilitator. On the EU side, at least 15 EU members are now sending representatives daily to support/monitor the negotiations, up from 6-8 regular attendees at the negotiations' midpoint. Representatives from countries in EU accession negotiations have also started to appear.

Next steps

14. (u) The process now reverts to the control of the Co-chairs, and perhaps President Eliasson himself. We would expect negotiations to resume in some format at some point next week, despite the intense preparations now underway for the summer ECOSOC session. Many delegations have noted their

desire to complete the (frozen in place) ECOSOC reform resolution before the summer session starts on July 3, but that appears increasingly unrealistic with each day.

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